

RESOLUTION NO. 2020- 02

A RESOLUTION designating a depository for city funds.

SECTION 1. RESOLVED, That Farmers & Merchants State Bank is hereby designated as a depository for the funds of the City of Appleton. The city administrator and/or clerk/treasurer is authorized to deposit city funds therein.

SECTION 2. RESOLVED ALSO, That before any deposits are made that exceed the amount that is guaranteed by the Federal Deposit Insurance Corporation (FDIC), the depository must supply to the city a corporate surety bond in the amount of at least 10 percent more than the amount on deposit at the depository's cutoff hour. The bond is subject to the approval of the city council. The surety bond must be conditioned to repay the above amount or any part thereof upon proper demand therefore and to perform such other duties in connection with the deposit as the council may require.

SECTION 3. RESOLVED FURTHER, That, in lieu of the above bond, the depository may furnish collateral in the manner and to the extent permitted by law. All such collateral must be approved by the council and accompanied by a written assignment providing that, upon default, the financial institution shall release to the city on demand, free of exchange or any other charges, the collateral pledged.

SECTION 4. RESOLVED FURTHER, All collateral must be placed in safekeeping in a restricted account at either a Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution that is furnishing the collateral. The selection must be approved by the city council.

In case of default upon the part of the depository, the council of the city shall have full power and authority to sell such collateral or as much as may be necessary to realize the full amount due the city over such federal guarantee.

This designation is effective until January 31, 2021

Passed by the City Council of Appleton, Minnesota this 15th day of January, 2020.

Dan L. Tosel, Mayor

Attested:

Emma R. Haugen, City Clerk/Treasurer